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DEPT FOR ISN, NEA AND EAP

E.O. 12958: DECL: 03/20/2033 TAGS: <u>PARM PREL AE IR CH</u>

SUBJECT: (S) PRC REQUESTED TO RECALL M/V SEVENTH OCEAN SHIPMENT HELD IN DUBAI

REF: STATE 27996

Classified By: Political Minister Counselor Aubrey Carlson. Reasons 1.4 (b/d).

- 11. (S) PolMinCouns delivered reftel information to MFA Arms Control Department Counselor Li Song on March 19, urging China to recall a shipment of potassium perchlorate seized in Dubai from the M/V Seventh Ocean and to take appropriate steps to ensure PRC companies cease trade with Iranian entities designated in UN Security Council Resolutions 1737 and 1747.
- 12. (S) Li said the PRC would immediately investigate the case, but wondered why the United States is sharing with China in March information about a shipment seized by the UAE in November. He asked if the UAE seized the cargo and then informed the United States or whether the United States asked the UAE to detain the shipment. China has told the United States previously, he said, that when there is a case of proliferation concern involving a Chinese company, the Chinese ask the United States to first inform China before asking others to stop the shipment. Informing China after the cargo has been seized "frustrates us," Li stated. Nonetheless, he said, China "will do its job" and investigate the transaction and whether it violated China's export control laws and regulations.
- 13. (S) PolMinCouns explained, per reftel, that we did not provide China with information on the shipment earlier because we have been working to provide the most complete and accurate information as possible. We have a shared interest in achieving, and a shared obligation to achieve, the goals of UNSCR 1737 by preventing this cargo from reaching a designated Iranian entity, he told Li, and we look forward to hearing the results of China's investigation.

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End Cable Text